

AMENDED IN ASSEMBLY AUGUST 19, 2014

AMENDED IN SENATE APRIL 2, 2014

**SENATE BILL**

**No. 1119**

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**Introduced by Senator Leno**

February 19, 2014

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An act to amend ~~Section~~ *Sections 13995.40 and 13995.92* of, and to add *Section 13995.93* to, the Government Code, relating to tourism.

LEGISLATIVE COUNSEL'S DIGEST

SB 1119, as amended, Leno. California Travel and Tourism Commission.

The California Tourism Marketing Act authorizes the establishment of the California Travel and Tourism Commission, a nonprofit mutual benefit corporation, for the purpose of promoting tourism in California, as specified. *The act requires all meetings of the commission to be held in California.* The act provides for an assessment for the passenger rental car industry to be adopted by referendum on a proposed rate set by the commission that will generate funding that, when aggregated with other funding for the commission, is sufficient to fund approved marketing plan costs of no less than \$50,000,000 per fiscal year.

*This bill would instead require a California location to be available for all commission meetings. This bill would require that the proposed assessment be set by the commission at a rate of no more than 3.5% that will generate no more than 70% of the total funding, that when so aggregated, will be sufficient to fund the approved marketing plan and all administrative costs of no more than \$70,000,000 per fiscal year. 60% of all expenditures set by the commission, as provided, and that the approved marketing plan of the commission be no less than \$50,000,000 per fiscal year.*

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     SECTION 1. Section 13995.40 of the Government Code is  
2     amended to read:  
3     13995.40. (a) Upon approval of the initial referendum, the  
4     office shall establish a nonprofit mutual benefit corporation named  
5     the California Travel and Tourism Commission. The commission  
6     shall be under the direction of a board of commissioners, which  
7     shall function as the board of directors for purposes of the  
8     Nonprofit Corporation Law.  
9     (b) The board of commissioners shall consist of 37  
10    commissioners comprising the following:  
11    (1) The director, who shall serve as chairperson.  
12    (2) (A) Twelve members, who are professionally active in the  
13    tourism industry, and whose primary business, trade, or profession  
14    is directly related to the tourism industry, shall be appointed by  
15    the Governor. Each appointed commissioner shall represent only  
16    one of the 12 tourism regions designated by the office, and the  
17    appointed commissioners shall be selected so as to represent, to  
18    the greatest extent possible, the diverse elements of the tourism  
19    industry. Appointed commissioners are not limited to individuals  
20    who are employed by or represent assessed businesses.  
21    (B) If an appointed commissioner ceases to be professionally  
22    active in the tourism industry or his or her primary business, trade,  
23    or profession ceases to be directly related to the tourism industry,  
24    he or she shall automatically cease to be an appointed  
25    commissioner 90 days following the date on which he or she ceases  
26    to meet both of the eligibility criteria specified in subparagraph  
27    (A), unless the commissioner becomes eligible again within that  
28    90-day period.  
29    (3) Twenty-four elected commissioners, including at least one  
30    representative of a travel agency or tour operator that is an assessed  
31    business.  
32    (c) The commission established pursuant to Section 15364.52  
33    shall be inoperative so long as the commission established pursuant  
34    to this section is in existence.

1 (d) Elected commissioners shall be elected by industry category  
2 in a referendum. Regardless of the number of ballots received for  
3 a referendum, the nominee for each commissioner slot with the  
4 most weighted votes from assessed businesses within that industry  
5 category shall be elected commissioner. In the event that an elected  
6 commissioner resigns, dies, or is removed from office during his  
7 or her term, the commission shall appoint a replacement from the  
8 same industry category that the commissioner in question  
9 represented, and that commissioner shall fill the remaining term  
10 of the commissioner in question. The number of commissioners  
11 elected from each industry category shall be determined by the  
12 weighted percentage of assessments from that category.

13 (e) The director may remove any elected commissioner  
14 following a hearing at which the commissioner is found guilty of  
15 abuse of office or moral turpitude.

16 (f) (1) The term of each elected commissioner shall commence  
17 July 1 of the year next following his or her election, and shall  
18 expire on June 30 of the fourth year following his or her election.  
19 If an elected commissioner ceases to be employed by or with an  
20 assessed business in the category and segment which he or she  
21 was representing, his or her term as an elected commissioner shall  
22 automatically terminate 90 days following the date on which he  
23 or she ceases to be so employed, unless, within that 90-day period,  
24 the commissioner again is employed by or with an assessed  
25 business in the same category and segment.

26 (2) Terms of elected commissioners that would otherwise expire  
27 effective December 31 of the year during which legislation adding  
28 this subdivision is enacted shall automatically be extended until  
29 June 30 of the following year.

30 (g) With the exception of the director, no commissioner shall  
31 serve for more than two consecutive terms. For purposes of this  
32 subdivision, the phrase “two consecutive terms” shall not include  
33 partial terms.

34 (h) Except for the original commissioners, all commissioners  
35 shall serve four-year terms. One-half of the commissioners  
36 originally appointed or elected shall serve a two-year term, while  
37 the remainder shall serve a four-year term. Every two years  
38 thereafter, one-half of the commissioners shall be appointed or  
39 elected by referendum.

1 (i) The selection committee shall determine the initial slate of  
2 candidates for elected commissioners. Thereafter the  
3 commissioners, by adopted resolution, shall nominate a slate of  
4 candidates, and shall include any additional candidates complying  
5 with the procedure described in Section 13995.62.

6 (j) The commissioners shall elect a vice chairperson from the  
7 elected commissioners.

8 (k) The commission may lease space from the office.

9 (l) The commission and the office shall be the official state  
10 representatives of California tourism.

11 ~~(m) All commission meetings shall be held in California.~~

12 *(m) A California location shall be available for all commission*  
13 *meetings.*

14 (n) No person shall receive compensation for serving as a  
15 commissioner, but each commissioner shall receive reimbursement  
16 for reasonable expenses incurred while on authorized commission  
17 business.

18 (o) Assessed businesses shall vote only for commissioners  
19 representing their industry category.

20 (p) Commissioners shall comply with the requirements of the  
21 Political Reform Act of 1974 (Title 9 (commencing with Section  
22 81000)). The Legislature finds and declares that commissioners  
23 appointed or elected on the basis of membership in a particular  
24 tourism segment are appointed or elected to represent and serve  
25 the economic interests of those tourism segments and that the  
26 economic interests of these members are the same as those of the  
27 public generally.

28 (q) Commission meetings shall be subject to the requirements  
29 of the Bagley-Keene Open Meeting Act (Article 9 (commencing  
30 with Section 11120) of Chapter 1 of Part 1).

31 (r) The executive director of the commission shall serve as  
32 secretary to the commission, a nonvoting position, and shall keep  
33 the minutes and records of all commission meetings.

34 **SECTION 4.**

35 *SEC. 2.* Section 13995.92 of the Government Code is amended  
36 to read:

37 13995.92. ~~The proposed assessment for the passenger rental~~  
38 ~~car industry rate shall be set by the commission, shall be no more~~  
39 ~~than 3.5 percent, and shall be set at a level determined by the~~  
40 ~~commission that will generate no more than 70 60 percent of the~~

1 ~~total funding that will be sufficient, when aggregated together with~~  
2 ~~other funding for the commission to fund the approved marketing~~  
3 ~~plan and all administrative costs of no more than seventy million~~  
4 ~~dollars (\$70,000,000) per fiscal year. all expenditures by the~~  
5 ~~commission as set forth in Section 13995.45.~~

6 SEC. 3. Section 13995.93 is added to the Government Code,  
7 to read:

8 13995.93. The approved marketing plan of the commission  
9 shall be no less than fifty million dollars (\$50,000,000) per fiscal  
10 year.